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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended: FEBRUARY 29, 1992

Commission File Number: 0-11419

Family Health Systems, Inc.
(Exact name of registrant as specified in its charter)

Delaware	22-2435595
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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Post Office Box 151, Wellsburg, WV 26
Address of principal executive offices (incorporation or organization)

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(304) 737-0681
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

YES x NO____

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	No. of Shares Outstanding on FEBRUARY 29, 1992
Common Stock par value $.00167 per share	10,293,706

PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FAMILY HEALTH SYSTEMS, INC.
CONDENSED BALANCE SHEET

ASSETS

(Unaudited)	February 29, 1992	November 30, 1991
Current assets:		
Cash	$ 161	$ 429
Notes receivable	31,372	31,872
Investments	40,656	40,656
Total assets	$ 72,189	$ 72,957

LIABILITIES & STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable, accrued expenses, and taxes payable	$ 3,900	$ 3,900
Total liabilities	$ 3,900	$ 3,900
Stockholders' equity:		
Common stock, par value $.00167 per share, 25,000,000 shares authorized, 18,293,706 shares outstanding	$ 31,646	$ 31,646
Capital in excess of par value	2,773,699	2,773,699
Retained earnings (deficit)	(2,587,056)	(2,586,288)
	$ 218,289	219,057
Less treasury stock at cost 1,500,000 shares	$ (150,000)	(150,000)
Total stockholders' equity	$ 68,289	69,057
Total liabilities and stockholders' equity	$ 72,189	72,957

See notes to condensed financial statements.

FAMILY HEALTH SYSTEMS, INC.
CONDENSED STATEMENT OF INCOME (LOSS) FOR THE QUARTERS ENDED
February 29, 1992 AND February 28, 1991
(UNAUDITED)

	1992	1991
Gross revenues	$ NONE	$ 5,670
Expenses	768	7,685
Income (loss) before income taxes	$ (768)	$ (2,015)
Net income (loss)	(768)	(2,015)
Average number of common shares outstanding	18,293,706	14,850,000
Net income (loss) per share	$ --	--

See notes to condensed financial statements.

FAMILY HEALTH SYSTEMS, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Unaudited)

FEBRUARY 29,1992

NOTE-BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulations S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation of the results for the second quarter of fiscal year 1992 have been included. Operating results for the quarter ended February 29, 1991, are not necessarily indicative of the results that may be expected for the fiscal year ending August 31, 1992.

NOTE #1:

The condensed balance sheet of February 29,1992 has been derived from the balance sheet as of that date.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation.

(A) General Development of Business.

Family Health Systems, Inc. ("FHS" or the "Registrant") a

Delaware corporation, was incorporated on January 20, 1983. The Registrant was formed to provide comprehensive business services to physicians, dentists and professional corporations operating full service dental centers and emergency/industrial medical centers. FHS found this activity to be unprofitable and it exited the business services activity in fiscal year 1987 and became engaged in the formation, registration , distribution and sale of development stage companies.

FHS's last registration to become effective was for Rainshine Corporation for which it had filed a form S-1 Registration Statement with the United States Securities and Exchange Commission (SEC). The registration was ordered effective November 14, 1988. The registered shares together with common stock purchase warrants were distributed to all shareholders of FHS of record date August 31, 1988. Two million seven hundred thousand common shares and warrants were distributed to FHS shareholders as a dividend. Management has not found a suitable business combination for Rainshine but continues to investigate possible candidates.

Two additional form S-1 Registration Statements have been filed by FHS with the SEC for wholly owned subsidiaries of FHS, namely, Carol Lee Corporation and Bull Run Corporation. It is not known when or if the SEC will order those two registrations effective.

(B) Financial Information about Industry Segments

The Registrant is a one industry segment business currently engaged in the formation of development-stage companies.

(C) Description of Business

The Registrant currently is inactive in the formation of subsidiaries, registration of these stocks through filings with the Securities and Exchange Commission. Its activities are confined to finding a business combination for the two wholly owned subsidiaries that it has.

(D) Competition

Management is aware that other companies and individuals are also in the business of forming and registering new companies and it is reasonable to assume that some of them may be in a much better financial position than FHS to conduct the business.

In a market downturn such better financed competition could better weather such a downturn than FHS, however, management believes that it can compete with those who have greater resources based upon exceptional services and the development of a reputation for honorable dealing in the formation, registration and sale of its subsidiaries.

(E) Employees

FHS had no paid employees during the quarter.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

NONE

Item 2. Changing Securities

NONE

Item 3. Defaults Upon Senior Securities

There have been no defaults or arrearages by the Company in the payment of any senior securities of the Company or in the payment of any dividends, and there has been no delinquency with respect to any preferred stock of the Company.

Item 4. Submission of Matters to a Vote of Security Holders.

No matters were submitted to a vote of security holders, through solicitation of proxies or otherwise, during the quarter ended February 29, 1992.

Item 5. Other Information

NONE

Item 6. Exhibits and Reports on Form 8-K.

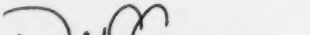
NONE

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FAMILY HEALTH SYSTEMS, INC.
(Registrant)

Dated:March 2, 1992


(Signature)
DONALD C. CARMAN, President, Treasurer,
Principal Financial Officer and
Chairman of the Board Of Directors